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Japan Report

(FOUO 9/82)



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POLITICAL AND SOCIOLOGICAL

JAPAN TO ENDORSE DISARMAMENT TREATIES AT UN

OW021633 Tokyo ASAHI EVENING NEWS in English 1 Feb 82 p 1

[Text] In response to the growing interest in disarmament in connection with the second United Nations special General Assembly on disarmament in June, the government will submit to the current diet session bills to approve the ratification of, or Japan's participation in, three international disarmament treaties in non-nuclear areas.

The three pacts are:

(1) The treaty on the prohibition or restriction of the use of "certain conventional weapons which may be deemed to be excessively injurious or to have indiscriminate effects": Weapons to be controlled under this pact include plastic bombs, mines and booby traps which could cause injuries to the civilian population, and napalm and other incendiary weapons.

Japan and 44 other countries, including Britain, France, West Germany, the Soviet Union and China, have signed the treaty, which was adopted in 1980 by the United Nations. The United States has not yet signed it, saying its disarmament policy is still under review by the new Reagan Administration.

(2) The treaty on the prohibition of the production and stockpiling of "bacteriological and toxic weapons," which was established in April 1972 and signed by 88 nations including Japan and the two superpowers.

(3) The treaty on the prohibition of the use for military purposes of technologies to cause natural hazards such as earthquakes, tidal waves, sudden changes in the currents of the seas and other changes in the natural environment, which was adopted in December 1976 and signed by the U.S., the Soviet Union, Britain and other major countries. Tokyo has not yet signed it.

Prime Minister Zenko Suzuki has made it clear that he will go to New York in June to attend the U.S. conference to appeal for a ban on nuclear and chemical weapons. Japan has signed the first two of the above three treaties but has not yet ratified them, and it has yet to become a signatory to the third one.

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The government feels Japan should become a party to the three treaties to give more weight to its appeal for disarmament. With the U.S. conference scheduled in June, now is the best time for Tokyo to take such action. No objection is expected to be raised by either the ruling Liberal-Democratic Party or the opposition parties.

Work is now being conducted hurriedly on coordinating the provisions of these treaties and those of related domestic laws.

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POLITICAL AND SOCIOLOGICAL

JAPAN'S DSP ADOPTS 1982 ACTION PROGRAM

OW201145 Tokyo KYODO in English 1134 GMT 20 Jan 82

[Text] Tokyo, 20 Jan KYODO--Japan's Democratic Socialist Party, the moderate No 3 opposition party, Wednesday decided its 1982 action program, stressing the need for Japan to strengthen the existing Japan-U.S. security partnership and bear greater responsibility for its own defense.

The plan, to be submitted to a DSP regular party convention scheduled to start 17 February, said the party would promote Japan's greater role in defense and closer Japan-U.S. defense cooperation in concrete terms.

Such closer defense ties between Japan and the United States are needed particularly in view of the current global situation which the party said is forcing Washington to adopt the "swing" strategy involving rapid transfer of forces from one area to another.

Behind the DSP's thinking on defense is increasing world tension, the party's advocacy of greater preparedness against what it calls the "threat" from the Soviet Union, and the party's receptivity to America's mounting calls for greater Japanese defense efforts, observers commented.

The DSP action plan calls for a well-balanced Japanese defense buildup while promotion a peace strategy, sticking to the framework of the war-renouncing constitution and paying due consideration to the condition of government finances.

It urges Japan to make effective use of its defense budget and upgrade quality in an effort to achieve its responsibility as one of the Western bloc nations.

The DSP plan declares that the party upholds the current security partnership between Tokyo and Washington and calls on the Japanese Government to conduct a general reassessment of the national defense program outline, adopted in 1976 as a basic buildup plan.

The DSP proposes unified parliamentary action by the four moderate opposition parties--the DSP, Komeito, New Liberal Club and United Social Democratic Party--through a liaison between their diet policy and election policy committees.

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This proposal is less ambitious than one for a more outright political alliance of the four parties within the diet, advocated by DSP Chairman Ryosaku Sasaki last June. The former proposal failed to work.

The DSP also calls on the three other opposition parties to agree to run joint candidates for the house of representatives in 39 electoral districts.

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POLITICAL AND SOCIOLOGICAL

SUZUKI DIET SPEECH VIEWED AS EVASIVE

OW311409 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Jan 82 p 2

[Editorial: "Prime Minister Suzuki's Speech Unappealing, Unimpressive"]

[Text] Why are the government's policy speeches delivered at the diet so boring? We are not satisfied that U.S. President Reagan endlessly expounds changes of ideas or philosophy in his speeches and, thus, gives us the impression that what he is saying must still be given the finishing touches to be called concrete policies. Frankly, in speeches by our prime minister, Suzuki, we cannot find anything to be called a philosophy or any detailed explanations on policies.

We are sure that the prime minister has government policies to dwell on but, perhaps, because of the need to make prudential replies during diet interpellations, he steered clear of elucidating or expounding his policies in that important speech in which he should have personally appealed to the nation. For instance, he did not even mention the question of an income tax reduction which, by its very nature, will be the focus of debates at the current diet session.

The question of a tax cut is not the only which the people wanted to know more about but which was left untouched in the government speeches. In his speech Prime Minister Suzuki did cite the implementation of administrative reforms and the elimination of economic frictions with foreign countries as the immediate, urgent tasks facing Japan. However, he only put perfunctory words in order regarding them, thus making us unable to find what course the government is planning to take from his speech. What we do find is the attitude toward administrative reforms that the government will wait for the provisional survey council on administrative reforms to come up with recommendations. Regarding the elimination of economic frictions overseas, he did no more than "express his resolve" to settle the issue.

As far as administrative reforms are concerned however, what the nation wants to learn from the government at this stage is what kind of Japan the highest person in the administrative authority aspires to build through administrative reforms, or the "philosophy behind the administrative reforms" and a rough direction of the reforms eyed by the government. This notwithstanding, the prime minister persisted with a posture of entrusting everything to the deliberative council and only awaiting its recommendations. Consequently, this means that political leadership is of no use.

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The prime minister's reference in his speech to the elimination of external economic friction was too short. He said only: "It is Japan's obligation to contribute to preserving and expanding free trade and making the world economy active" and "we will voluntarily work out measures to further open up the Japanese market and strive to make trade relations with other countries smooth." Does this suffice in making other countries understand Japan's resolve and sincerity?

Nowhere in the government's policy speeches can we feel the tension which we should naturally feel for the nearing expiration of the time limit on the resolution of this issue.

In the first place, speech is an act for conveying one's will to his audience and for influencing it. As a rule, the meaning in political science that violence is the "last reason" is understood in conjunction with this. However, prime minister Suzuki abandoned the best opportunity to make the most of his speech. In Japan where things are mostly done through behind-the-scenes maneuvers and dealings rather than the utilization of the power of the public speeches, Prime Minister Suzuki is not the only one who does not make the most of speech. However, we are afraid that national interests may be impaired if leaders fail to say something timely which should be said with regard to affairs involving external relations. In this sense, the prime minister's speech which is too ambiguous and too simple is open to question in too many areas.

The portion of the policy speeches dealing with the defense question--which is expected to be one of the focal issues at the current diet session along with administrative reforms, economic friction with other countries and tax reductions--seemed as though it was bound with hoops two- to three-fold. In this we can perceive the rulers' evasive attitude of giving consideration to the safe steering of diet deliberations first, instead of influencing the people through speech. This is regrettable.

We believe the prime minister's concern lies in the opposition's criticism of the government for increasing the fiscal 1982 defense budget by 7.75 percent over the preceding fiscal year. Nevertheless, unlike the general perception prevailing at home, it has become the seed of international criticisms against Japan that Japan is not spending money for defense. To our regret, the government's policy speeches only showed an evasive posture in all areas.

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'YOMIURI' HITS 'LACKADAISICAL' DIET PROCEEDINGS

OW011030 Tokyo THE DAILY YOMIURI in English 31 Jan 82 p 2

[YOMIURI SHIMBUN 30 January editorial: "Diet Shadow Play"]

[Text] We are not only deeply disappointed but infuriated by the lackadaisical proceedings in the lower and upper houses. We have to feel that the ruling and opposition parties are not delving deeply enough into such important national issues as administrative reform, financial rehabilitation, income tax reduction, defense and political ethics.

Prime Minister Suzuki is apparently playing a safe hand, for his replies to interpellators have been merely a reading of drafts composed by government officials.

Where has the passion of political debate gone? How can we get to the core of problems when our representatives are acting out a shadow play?

The people are calling for a tax cut. But the heart of the problem is how to reconcile financial rehabilitation with a tax cut. All the parties urged the government to carry out a tax cut, but none of them went into the matter in great depth.

This omission is regrettable. But what the people deplored more was the premier's hemming and hawing. He ducked the issue by saying that the government would consider a tax cut if it was the national consensus, as if the matter had nothing to do with him. This smacks of an evasion.

Socialists Skimp Also

The opposition parties also showed inconsistency in questioning the government's plans for administrative reforms. The people must particularly remark that Socialist Party (JSP) Chairman Ichio Asukata hardly touched the subject, which concerns the people as much as a tax reduction. Perhaps Asukata became tongue-tied because his ears were attuned to union opposition.

As long as the JSP fails to lead, but is led, it can never become a national party.

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Meanwhile, we sensed some subtle change in the premier's replies on administrative reform. Although we do not know yet the contents of the report to be compiled by the administrative reform council this July, it is certain that the recommendations will be strongly resisted by various quarters.

The premier's duty is to break through such resistance, he should not be looking for a way out in anticipation of difficulties.

Other Evasions

When the debates focused on defense spending, the premier parroted the 1976 cabinet decision that defense spending each year shall be set so as not to exceed one percent of the GNP [gross national product].

We have to be dissatisfied when debates on defense focus only on percentage margins. The core of the defense problem is a proper appreciation of the current reality that a balance of power actually serves to maintain world peace and security.

An objective assessment of the status quo must be the basis for Japan to contribute to disarmament efforts. We hope for penetrating debates in the upper and lower house budget committees.

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SUZUKI DEFENDS DEFENSE SPENDING PLAN IN DIET

OW011301 Tokyo KYODO in English 1156 GMT 1 Feb 82

[Text] Tokyo, 1 Feb KYODO--Prime Minister Zenko Suzuki said Monday he has "no plan at all" of building up Japan's defense strength to the extent that it poses a military threat to its neighbors.

Speaking at a house of representatives committee meeting, Suzuki noted that there are people who fear that Japan's defense spending may grow "unchecked" in the future.

"Such fears are unwarranted," Suzuki said.

He also rejected as "absurd" allegations that his Liberal-Democratic Party (LDP) is trying to put Japan again on the road of militarism.

This refers to an objection by opposition parties to the government-proposed 7.75 percent defense budget increase in fiscal 1982 to yen 2.6 trillion (dollar 11.7 billion) at the expense of educational and social welfare outlays, each held to less than a 3 percent budgetary hike.

"We have no plan at all to pose a threat to our neighbors by expanding defense strength," Suzuki said.

Earlier in the committee session, Suzuki said he wants the 1976 defense buildup plan completed "a year or even 6 months ahead" of its target completion year of fiscal 1987.

The plan maps out Japan's defense power in terms of number of tanks, aircraft and ground combat units.

But many LDP diet members as well as U.S. Government officials maintain that the plan is outdated, saying it was compiled during the detente between the Western and Eastern blocs and that it does not take into account the recent Soviet military buildup in the Western Pacific.

Concerning the government policy to hold its defense spending to less than 1 percent of the gross national product (GNP), Suzuki said in the committee meeting; "GNP is subject to fluctuations of the international economy."

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Though he did not elaborate, the remark suggested that defense expenditures may go beyond the 1 percent level in time.

The 1982 defense spending is expected to equal 0.93 percent of the GNP projected in the fiscal year starting in April, up from 0.91 percent this year.

Last week, Suzuki said the government will keep its defense budget below 1 percent of the GNP "for the time being."

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MITI'S GOALS, POLICIES, ADMINISTRATIVE METHODS EXAMINED

Tokyo CHUO KORON in Japanese Fall Issue 1981 pp 187-204

[Article by journalist Tadahide Ikuta: "The Ministry of International Trade and Industry: The Most Powerful Government Agency's Secret"]

[Text] Is The Ministry of International Trade and Industry Necessary?

On 10 June, several middle-level bureaucrats of the Ministry of International Trade and Industry (MITI) met in the Secretariat's Planning Section chief's room on the third floor of the new MITI building, beginning at dusk.

The youngest of them, Director Nonouchi of the General Affairs Section, Agency for Natural Resources and Energy (who joined the ministry in 1956 and is presently chief of the MITI Petroleum Department. Years in parentheses hereafter indicate entry of officials into respective ministries), and Minister Tanaka of MITI arrived late because they were attending a dinner for foreign guests. Meanwhile, the others were engaged in an animated discussion of such questions as "what is MITI?" and "why does a government agency which handles industrial administration such as MITI exist only in Japan?"

In addition to Nonouchi, six other participants were: Planning Section Chief Kosuke Yamamoto (1959), Automobile Section Chief Shinjiro Nishinaka (1960) of the Machinery and Information Industries Bureau, Aircraft Weapons Section Chief Yoshihiro Sakamoto (1962) of the same bureau, North Asia Section Chief Akihiko Hayashi (1962) of the International Trade Policy Bureau, Technical Research Section Chief Norikazu Matsuda (1965) of the Agency of Industrial Science and Technology, and energy planning official Katsusada Hirose (1966) of the Energy Agency.

It is customary at MITI to begin lively shop talk while drinking beer after 7 pm, but alcohol was omitted on this particular day. The reason was that Yamamoto had rejected a proposal by one participant to "talk over beer."

The discussion centered on each individual's experiences and continued late into the night. The points emphasized could be boiled down into the following: "MITI has an aversion to controls, while its forte lies in the promotion of projects. But the Diet and society demand the strengthening of various kinds of controls. Nevertheless, throughout its history, MITI has done its utmost to free itself

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from exercising controls through licensing and subsidizing, and we MITI bureaucrats are taking pains to administer without the use of controls" (Nonouchi).

Of course, the participants had high praise for MITI's role in Japan's economic development and stressed the future expansion of that role. One participant declared: "When I observe MITI as an ordinary citizen, dissociating myself from my position as a bureaucrat, I still rate its existence highly." The atmosphere of the discussion indicated a kind of narcissism concerning MITI.

Toward the end of the discussion, I posed the question: "How would you define MITI, using an easily understandable metaphor?" While various opinions were expressed, Nonouchi used the metaphor of the firefighting system of the Edo period and said it was like "the leader of the 'Me' squad." There was also a comparison with the leader of the neighborhood mutual assistance system. In other words, whenever a problem occurs in the industrial world, MITI is seen as the agency to consult for a solution to the problem.

Testimony of Concerned Outsiders

Several days later, I met a member of the Industrial Structure Council (Chairman Yoshihiro Inamaya, who is also chairman of the Federation of Economic Organizations), the advisory organ of the MITI minister which plays an important role in drafting policy for the ministry. When I explained the content of the above-mentioned discussion, he responded with severe criticism.

While appraising MITI's achievements in developing Japan's industries in the export field and its flexible administrative posture in avoiding the use of such authoritative powers as licensing held by the postwar bureaucracy, the council member said: "The term 'leader of the Me squad' is a self-denigrating expression used by bureaucrats, but I believe that they have adroitly used the 'carrot and stick' policy to maintain consistent control over industry. The difference lies in their highly complex and complicated methods."

The council member went on to say that MITI's role in the development of Japan's economy cannot be ignored, but it was due basically to the astuteness of the people and the business enterprises, and evaluation of the true worth of MITI probably must await the future.

He also pointed out some dangerous signs concerning MITI which preclude optimism, such as its increasing adhesion to political parties like the Liberal Democratic Party, from which it previously kept a certain distance, and MITI's impotence concerning structural changes in the sluggish pulp and cement industries.

Sense of Crisis Among Young Bureaucrats

Incidentally, there is a strong sense of crisis among the younger bureaucrats. I met a number of young assistant section chiefs (who joined the ministry in 1972-73) of the various bureaus, who invariably said: "Section chiefs think only about associating with politicians and do not seriously study the industries, so they end up becoming naive optimists." "How can we give guidance to a business concern which singlehandedly records sales totalling several trillion yen? Also, within

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the government structure itself, we often penetrate the jurisdiction of other ministries and agencies, but in most cases we lose out." The assistant chiefs, who have been given first-line management responsibility truly believe that the foundation of MITI is unmistakably sinking. There is a clear gap between the previously mentioned contention of the middle-level bureaucrats and the opinions of the younger bureaucrats.

What is the actual state of MITI administration and its industrial policy? And what are MITI's goal and direction?

MITI Is a Product of Japanese Soil

When LDP parliamentarian Yoshiro Hayashi, former MITI bureaucrat (his last post in 1950 was chief of the Industrial Machinery Section), visited France immediately after the French presidential election, the newly elected President Mitterand's special assistant reportedly said: "France would like to organize a ministry like MITI and embark on a full-fledged industrial policy." Also, the United States has promoted the "MITI-zation" of the Department of Commerce since the Carter administration. There is strong interest abroad concerning MITI, and there are some Japanologists who are making special studies of MITI.

The reason is perhaps because they believe MITI has played a large role in Japan's miraculous resurgence and remarkable economic development. According to Vice President Yugoro Komatsu of the Kobe Steel Corporation (administrative vice minister in 1944), MITI was labelled the "notorious MITI" in the late 1950's by the United States and European countries for resisting the liberalization of car imports. Does this mean that their appraisal has changed?

The U.S. Commerce Department has 36,000 employees (MITI has about 14,000 employees). Its main functions are centered on compilation of statistics, including industrial statistics, economic growth rates, direct overseas investments, and procurement of supplies and materials. In addition, it handles licensing of exports to communist-bloc countries, but it handles very few so-called policy matters.

However, due to administrative reforms late in the Carter era, there was a sudden move to strengthen the functions of the Commerce Department as a means of building U.S. industry. It was a notable turnabout from a laissez-faire policy to government intervention in trade and industrial policies.

As the first step in the reform: 1) industrial protection operations (antidumping and contravening duties) handled by the Finance Bureau were transferred to the Commerce Department; 2) the bureau was expanded to promote exports; and 3) the control center for commercial attaches assigned to the State Department's overseas missions was transferred to the Commerce Department.

However, with the advent of the Reagan administration, the tempo in the buildup of the Commerce Department slowed down. This is probably because the Reagan policy of fostering the growth of free enterprise is incompatible with an increase in government controls. In addition, Americans with outstanding potential have traditionally aspired to employment with major private enterprises or to the

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professions, such as lawyers, but not to government agencies like the Commerce Department. This follows the fact that although the government bears legal authority, private enterprises do not heed its instructions.

Osamu Watanabe (1964), public relations chief of the MITI Secretariat (who returned in July from an overseas assignment in the United States), explained: "Perhaps the groundwork for industrial policy and administrative guidance could be created in America, but as a premise the American enterprises would probably decline further." Watanabe thinks that the reasons for the absence of industrial policy in the United States in the past are, in addition to the social environment which rejects governmental intervention and the social status of bureaucrats: 1) the seriousness of the confrontation between management and labor, and 2) the posture of enterprise managers in emphasizing, for example, short-term profits for each quarter and their inability to adopt a long-range perspective. He says that as the U.S. economy becomes increasingly critical, there will probably be a recurrent move toward solidarity between the government, private enterprise and labor, similar to the movement last spring.

Sakamoto (previously mentioned) was assigned to Australia as an industrial investigator under JETRO (Japan Economic and Trade Recovery Organization), before he was chief of the Aircraft Weapons Section of MITI.

According to Sakamoto, Australia has a Ministry of Industry which has the protection of industry as its mission. As in the United States, there is a feeling of distrust toward the government and, because of the labor unions and a conflict of social interests, the ministry apparently does not conduct industrial policy as Japan's MITI does. Therefore, many Australians believe that "MITI, which has taken the lead in reforming Japan's industrial structure, probably has performed some kind of magic.

In other words, there are government agencies similar to MITI in foreign countries, but none handles industrial administration through administrative guidance. In that sense, MITI is truly a Japanese mechanism which was nurtured in Japanese economic and social soil. It could be said to be a Japanese social invention which promotes "modernization from the top downward."

From Controls to Administrative Guidance

If so, why is it possible for an organization like MITI to exist in Japanese society? One middle-level bureaucrat said: "In the United States and Europe, especially, company managers take the risks of management into their own hands. Profit gain is considered a merit and they must accept responsibility for risking company operations through losses. Conversely, in Japan the larger the company the less likely is the basis for judgment among company managers to be centered on profit gains. As is evident by the fact that Japanese culture is sometimes referred to as the 'culture of shame,' company managers cannot afford to be thinking constantly of profitmaking. They tend to believe that 'their thinking may perhaps be a bit clouded' and this probably causes them to look to MITI for guidance.

Of course, the relationship between MITI and industry has drastically changed in accordance with the growth stage in Japan's economy. Rather than the

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"gemeinschaft" type of relationship in the foregoing explanation, it has probably been a continuation of an interdependence based on cold calculation.

On 24 May 1949, MITI dissolved the old Ministry of Commerce and Industry, as well as the Agency of International Trade, and combined the two to make a fresh start. The progress of the new ministry subsequently became identified with the recovery and growth of Japan's economy, and the administration of international trade and industry passed through two pivotal phases to reach its present stage. One phase took place in 1962 and 1963, and the other in 1970 and 1971.

In 1963, during the first phase, MITI submitted a "draft proposal for the strengthening of international competitiveness" (later known as the "emergency measure bill for the promotion of special industries") and managed to obtain a cabinet decision, but it was eventually aborted because of resistance from opposition parties and other government agencies.

Up to 1963, the administration of international trade and industry could be said, in effect, to have centered on controls. Direct postwar controls began to be relaxed in 1950 during the special procurement boom of the Korean War, but the subsequent foreign currency shortage continued to impede economic growth, and MITI effectively used the foreign currency control act to implement its policy. Also, the protection of industry and direct controls were strong traits of domestic industrial policy, while priority for capital distribution was given to electric power, coal and transportation, and a preferential tax system was introduced, including special depreciation allowances, to foster the growth of heavy chemical industries.

Meanwhile, with regard to the "emergency measure bill for the promotion of special industries," a strong demand was mounted by foreign countries for trade liberalization. MITI, which foresaw difficulty in resisting it, endeavored to strengthen competitiveness by concentrating Japan's key industries and encouraging competition against foreign enterprises. The abortion of this bill meant the end of MITI "controls" over industry which had continued after the war and it became a milestone in the transition of Japan's economy toward a full-fledged open system.

At the time, Shigeru Sahashi, chairman of the Leisure Development Center (1937; administrative vice minister), who was the promoter of the emergency measures bill as chief of the Business Enterprise Bureau (equivalent of the present Industrial Policy Bureau), discussed the details in his private office in Roppongi District.

"It appears to have been misunderstood, but the emergency measure bill did not contain any intention of 'controls.' Controls ended in the early 1950's, and the industries grew strong and sound in the mid-1950's, when the GNP surpassed prewar levels. Nonetheless, most of Japan's heavy chemical industries were still weak in international competitiveness.

Therefore, the government, private industry and related financial institutions cooperated in a joint effort to concentrate the industries, such as aligning the car makers, into three groups. We stressed concentration and workable competition. Moreover, we proceeded to reorganize them under a legislated 5-year limit.

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A master plan was drafted, based on discussion, and it was agreed that if each industry presented a concrete plan, the government would provide tax-exempt measures for mergers. Also, since the antimonopoly law banned collusion among industries, MITI would incorporate exceptions into the bill in the form of administrative guidance."

It was the Fair Trade Commission (FTC) which objected most strenuously to the bill. Sahashi remarked in an angry tone: "If the obnoxious FTC's words had been heeded, I wonder where Japan's economy would be today."

However, one FTC source said that, from 1950-51 when the postwar controls were phased out until about 1963, one of the MITI's traits was "to draft exceptional provisions to the antimonopoly law and to leave things half done." The discord between MITI and the FTC over administrative guidance is still continuing today.

Meanwhile, the second pivotal phase of MITI administration took place in 1970-71. As a result of the sharp rise in the economic growth rate beginning in the 1960's, the viability of Japan's industries and business enterprises increased rapidly during this period and the Japanese economy strengthened its international competitiveness to the point where the MITI itself was perplexed. The goal of "catching up with the advanced nations" was achieved. The U.S.-Japan textile negotiations, which lasted from late 1968 until 1972, symbolized MITI's disorientation.

President Yoshihiko Morozumi of the Agency for the Development of Power Resources (1942), who was the negotiator for the U.S.-Japan textile talks as the Industrial Policy Bureau chief and administrative vice minister, reminisced about the negotiations. "The Japanese textile leaders considered themselves the injured party and not at all the perpetrators of injury. As for us, we could not say for sure that we were truly aware of Japan's international position. We were merely critical of American protectionism.

However, in retrospect, beginning about 1971, Japan's economy had grown to the point of having a considerable international impact in a number of phases. The oil shock of 1973 was strictly an energy problem, but the qualitative change in Japan's economy beginning in 1971 remains an important element in the solution of foreign affairs issues."

"Sell Thread and Buy Rope"

Although the U.S.-Japan textile talks reportedly terminated in a secret deal between Sato and Nixon, and an exchange of "rope" (non-nuclear return of Okinawa) for "thread" (a major concession by Japan on the textile issue), a government-to-government agreement was concluded on 3 January 1972. In form, the Japanese Government's legal authority was invoked and the Textile Industrial Federation brought a suit against the government, but it was withdrawn several years later. The matter was eventually solved by a distribution of payments to textile circles by the government.

Following the 1970-71 pivotal phase, MITI was no longer able to continue its simple policy of increasing industrial production by protecting and nurturing the

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industries. With the 1973 oil shock as a turning point, the energy problem suddenly came to the fore. But, as Morozumi explained, the elimination of trade frictions arising from a globalized Japanese economy and the fulfillment of Japan's international responsibilities became the prime issues.

Criticism has welled up both within and outside MITI regarding "a MITI without a money policy" (young MITI bureaucrat) and "a haphazard administration without any philosophy" (government source). This probably indicates that, even today, more than 10 years later, MITI administration is unable to cope with a new environment.

We are thus able to see major changes which divide the postwar MITI administration into four periods: the period of direct controls (1945 to 1960-1961), the period of protection and cultivation of industries (to 1962-1963), the period of rapid growth (to 1970-1971) and the period of globalization (1970-1971 and later). Administrative methods have accordingly become complex and highly sophisticated, based on direct controls, indirect controls and induction, and administrative guidance respectively.

Compared to the other ministries, MITI exercised less licensing authority and subsidizing at less cost, and it is characterized by administration without direct legal authority. Its administrative methods are considered administrative guidance, but Morozumi offers the following definition: "Administrative guidance means discussion of administrative affairs. Administration employing legal means results in a controlled economy. Therefore, from the standpoint of the national economy and gross capital, the private sector comes forth with opinions representing the private enterprises, while the government acts in a coordinating role and seeks an adjustment."

However, administrative guidance is actually accompanied by certain risks. Naohiro Amaya, MITI consultant (1948; MITI councilor), stated: "Since there is no inherent legal enforcement authority in administrative guidance, it should be left to the judgment of private enterprise whether it wishes to abide by it or not. However, during former Prime Minister Miki's directorship of the Environmental Agency, the administrative guidance tended to be regarded as arbitrary."

In those days, there was strong criticism regarding the manufacture of mercuric caustic soda, and Miki gave administrative guidance to halt its production and closed down the plants. Of course, such legal enforcement was accompanied by compensatory measures."

Such administrative practices are not confined to the Environmental Agency, but could also happen in MITI administration. Whenever MITI gives guidance to the industries in connection with a bill or budget, LDP Diet members, industrial representatives and MITI bureaucrats meet daily to exchange opinions and information until late into the night, expressing their true intentions. This becomes the "secret" of MITI's administrative guidance. Notwithstanding, the reason why private industry accepts MITI's administrative guidance is because there cannot be any discussion whereby a means of coordinating interests between the national economy and private industry is agreed upon.

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A middle-level cadre of a certain auto maker gave other reasons why private industry accepts administrative guidance. They are: 1) historic relationships--for example, in the case of the auto industry, protective measures were provided by MITI during the mid to late 1950s; 2) the fear that, if the industry were to antagonize MITI, which has wide-ranging administrative authority, there might be some form of retaliation; and 3) "insurance" in the event that the operation of private industry runs into trouble some day and requires government support. As these cases indicate, there are not a few instances where administrative guidance is accepted nilly-willy.

Effective Use of Japan Bicycle Promotion Institute

Therefore, MITI uses not only overt "persuasion" but every means to compel the industry to accept its will. For example, MITI has used the Japan Bicycle Promotion Institute (NISSHIN), which controls bicycle racing, to considerable effect.

Bicycle racing has developed into a giant gambling sport with gross sales of about 1.27 trillion yen in 1980. It is supervised by the MITI minister and operated by the NISSHIN. The NISSHIN's business aims are "a fair and smooth bicycle racing operation" and "the registration of cyclists, judges and bicycles, as well as the licensing of inspectors" (NISSHIN pamphlet). Meanwhile, it receives a certain percentage of sales receipts from the sponsors, from which subsidies are distributed to cycling-related interests and various public works projects. It is similar to the Japan Shipbuilding Industry Foundation (Ryoichi Sasagawa, chairman) which operates boat racing.

Moreover, the distribution of NISSHIN subsidies is also said to include funds used to employ MITI OB's [old boys] in industrial organizations. The vice chairmanships and managing directorships of industrial organizations under MITI jurisdiction are practically monopolized by former MITIers. They have penetrated almost every industrial organization, such as the Iron and Steel Federation (vice chairman), the Plant Association (managing director), the Trade Association (ditto), the Petroleum Association (ditto), the Textile Association (ditto), the Coal Association (vice chairman), the Chemical Industrial Association (ditto), the Electrical Manufacturers Association (ditto), the Machinery Federation (vice chairman) and the Gas Association (ditto). In not a few cases, subsidies equivalent to their salaries are provided by the NISSHIN. And when MITI provides guidance to the industries, these organizations serve as pipelines. Therefore, it is not inaccurate to say, the NISSHIN is a "lubricator for MITI administration."

However, even MITI administration has an Achilles heel. MITI is quite conscious of the presence of the Diet and public opinion, but it must be further aware of the antimonopoly law and the Fair Trade Commission. In some cases, entrepreneurs have been subjected to criminal penalty because they "took advantage" of MITI's administrative guidance.

The 1973 incident involving adjustment of oil production figures is an example. A person affiliated with the Petroleum Association gave an order for the adjustment of production figures while under MITI's administrative guidance on the basis of the Petroleum Industry Law. He was indicted for violating the Antimonopoly Law.

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On 26 September of last year, the decision handed down by the Tokyo Higher Court regarding the incident was interpreted as imposing a strict limitation on administrative guidance. A ruling was made concerning indiscriminate guidance for individual entrepreneurs to the effect that "when such guidance is offered, it is difficult to find only the act of the entrepreneur at fault," and "such a method has a strong coloring of state control, raising the suspicion of an invasion of freedom of trade." It thus raises the question of the illegality of administrative guidance from a constitutional standpoint.

It also points out that "administrative guidance involving quantitative limitations must be considered as being generally impermissible."

MITI appeared to be shocked because the decision was a strict ruling against administrative guidance, which constitutes the basis of MITI administration. Nonetheless, under the "administrative guidance for individual entrepreneurs" in the ministry's "Concepts on Administrative Guidance" issued in March this year, MITI stresses the legality of administrative guidance on the basis of the court decision on oil cartels, and points out: The decision clearly states that 'as long as such guidance is given separately to individual enterprises, it cannot formally violate the provisions of the antimonopoly law,' and this is identical with the concept of this ministry."

Nonetheless, the restriction of administrative guidance is reaffirmed in the sense that such guidance accompanied by quantitative and price limits is legitimate "as long as it is administered separately to individual entrepreneurs." Therefore, such guidance must now be handed down in a sophisticated and subtle manner through the application of regulatory provisions under the Organization Control Law. The reason is that it is dangerous to administer guidance to an industry as a whole.

In still another case concerning oil--during the first oil crisis--administrative guidance applied to suppress kerosene prices was a successful case from MITI's standpoint. At the time, the price of kerosene, which was indispensable for the people's daily life, rose sharply from about 250 yen to 600-700 yen a can.

At that point, invoking the Price Control Law, which was enacted by imperial decree before the war, was reportedly considered because of the absence of any MITI price control legislation. However, while there may have been other reasons, resorting to forceful measures was not considered becoming to MITI administration. The use of persuasion was the most desirable method, so the decision was made to use administrative guidance.

The aforementioned Komatsu, then chief of the Industrial Policy Bureau, recalled the conversation at the time. "When I discussed the matter with the FTC before providing administrative guidance, one commissioner said: 'Enforcement of prices by the stronger side (wholesaler) to the client (retailer) is a violation of the antimonopoly law.' Whereupon I replied that, if so, the commission should file against the wholesaler and appeal to public opinion. As a result, the matter was brought to ministerial and cabinet decisions."

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This exemplifies MITI's method of administrative guidance. The criticism is often heard that "MITI bureaucrats are weak vis-a-vis the Diet and public opinion." And in this case they apparently went ahead with administrative guidance expecting public support.

Meanwhile, MITI has historically been characterized by its adroit response to changes in the outside environment and by its adjustment of policy and policy methods, depending on the conditions. Amid the increasing globalization of Japan's economy, what new policy goals would MITI prepare, and through what policy methods would it attempt to realize those goals?

Clever Molding of Public Opinion

In March last year, the Industrial Structure Council, which is an advisory organ to the MITI minister, submitted a "reply (to the Diet) concerning the direction of trade industrial policy in the 1980's." This is included in a book published for sale to the public entitled, "Vision of MITI Policies in the 1980's." The council and MITI cooperated in a joint project with the purpose of reflecting the results in MITI administration and creating a broad national consensus.

The "Vision" is prepared once every 10 years, and since no other ministry prepares such a document, MITI is sometimes referred to as the "vision ministry." But since very little of the vision is ever realized, the ministry is also called the "1,000 and 3 ministry."

In addition to all MITI personnel, a large number of private citizens participated in drafting the "Vision of the 1980's." First, an opinion survey on pertinent items was conducted among some 1,500 persons, including foreigners. With this as reference data, some 40 committee members were asked to deliberate on the content.

The members were canvassed from a wide range of citizens in various fields, including scholars; financiers; editorial writers of such leading dailies as ASAHI, MAINICHI, YOMIURI and NIKKEI; women's suffrage leaders such as Director Hatoko Shimizu of the Housewives Federation Secretariat; labor leaders such as Director Mitsuo Tomizuka of the SOHYO Secretariat; and Governor Seiji Tsunematsu of Shimane Prefecture. Even writers such as Sakyo Komatsu participated.

Incidentally, MITI is noted for hiring a large number of "affiliated" scholars and cultural leaders.

When the late Prime Minister Ohira formed private thematic study groups, every group included "MITI-affiliated cultural personalities," which surprised the other ministries. Committee members of the "Vision of the 1980's" also included personalities such as Prof Tadao Uchida of Tokyo University, Prof Tsuneo Iida of Nagoya University, Prof Kenichi Tominaga of Tokyo University and Prof Shoichi Watanabe of Sophia University. Of course, MITI is effectively using "NISSHIN funds" in daily contacts with scholars and cultural leaders to form a "people's consensus." And because of a violent protest by economists regarding the merger of the Yawata Steel and Fuji Steel companies, MITI realized the urgent need for daily contacts with scholars and cultural leaders, which has reportedly resulted in stepped up activities.

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There is a hidden merit in the drafting of the "Vision." The entire ministry worked as a team for a considerable time and was able to escape from its label as a "department store," which resulted from its tendency to compartmentalize the employees into the narrow framework of individual responsibilities. One might say that, once every decade, the entire ministry goes through a ritual of seeking a unified policy.

Also, it helps to build sympathy toward MITI, form public opinion in support of MITI administration, and create a consensus and vision. In that sense, it might be described as a ministry which is skilled in opinion technology.

In any case, the "new national goals" established by the drafting of the "Vision of the 1980's" are: 1) international contribution as an "economic power"; 2) transcending the constraints of a "resource-poor nation"; and 3) compatibility between "vitality" and "leisure."

The five principle policies for the attainment of these goals are: 1) maintaining a free trade system and evolving general economic cooperation; 2) establishing goals for energy development and boldly investing government funds; 3) building a technological state; 4) qualitatively improving living conditions with increased living space and free time, and forming attractive communities; and 5) concentrating knowledge on industrial structure through the exercise of creativity and cultivating viable small and medium enterprises.

The "Vision of the 1960's" was characterized by the development of heavy chemical industries, while the "Vision of the 1970's" was noted for the problems of pollution and high commodity prices, with both "Visions" emphasizing "concentration of knowledge." But, in the "Vision of the 1980's," general national security has come to the fore.

With Japan becoming a nation with "10 percent of the world's GNP," the era in which it was permitted to move facily within the framework of the free trade system has ended. Japan itself must now share the burden of building such a framework. Responsible sources stress that Japanese policies must have an optimum mix toward that end, not only from an economic standpoint, but also from the general standpoint of national security.

In fact, a general security subcommittee has been formed within the Industrial Structure Council and broad studies are in progress, including the defense issue.

How then does MITI view the question of general national security?

Chief of the MITI Secretariat Kiichi Konaga (1953) says: "As long as trade is MITI's jurisdiction, peace is preferred. From a policy standpoint, MITI probably belongs to the dovish group." And chief Yamamoto of the Planning Office (previously mentioned) is responding to the Reagan administration's request for Japan's military buildup by persuading the United States of the accuracy of Senator John Glenn's statement that "it was good that Japan did not become a military power. Otherwise, not only the Soviet Union, but also the ASEAN countries would have taken a different attitude."

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One middle-level bureaucrat emphasized: "A nation with an inherently fanatical streak like Japan should center on its economy. A child who is given a weapon might want to use it." "By the way, it is difficult to understand why the Foreign Office goes along with the theory of a nonexistent 'Soviet threat.' Reagan's aim is apparently to go along with the will of the industrial-military complex and include Japan in the American weapons arsenal. That would not be desirable from the standpoint of Japan's concept of self-defense." "After all, the defense industry depends on the government's budget and it is not a business. It would not be good for the defense industry to become a major part of the industrial structure."

I have talked with many MITI bureaucrats, and their posture toward general national security is what has been described so far. Some like Amaya (previously mentioned) are of the opinion that: "It is not good to take the easy path of a merchant state with a dovish posture. If it is necessary for the national security, we must spend money wherever it is needed." Nonetheless, they all stressed an "economy-centered" policy, which has been Japan's basic direction.

Meaning of the Issue of Car Exports to the United States

Now that MITI has begun to treat general national security as the new national priority, where does it actually plan to concentrate its efforts? If general national security constitutes its policy and principle, where is the emphasis of its real intent and strategy as an agency?

The issue of car exports to the United States has vital significance in this sense. Amaya, who conducted negotiations with the United States as a trade industry councilor, stated: "I have warned that MITI must not fall into self-intoxication or spiritualism like the prewar army and navy. It must view things with detachment. However, the auto industry has only the sense of the old army and navy. Although it is wrong to merely concentrate on sales, it doesn't understand that it is wrong. We have therefore decided to urge voluntary controls through administrative guidance."

However, the issue of car exports to the United States took a sudden turn on 5 February this year with the submission of a bill to restrict Japanese imports by Senators Danforth and Bentzen (to 1.6 million cars annually for 3 years, from 1981 to 1983).

On the following day, 6 February, MITI Minister Tanaka announced the outlook for car exports to the United States (under 450,000 cars, which is less than the 460,000 during the same period of the previous year) for the first quarter of 1981. In late March, then Foreign Minister Masayoshi Ito visited the United States and met with President Reagan and his cabinet members, and affirmed that the negotiations would continue. On 26 April, Amaya again visited the United States and met Trade Representative Brock and Justice Department representatives. And on 1 May, a "measure pertaining to the export of passenger cars to the United States" was announced as a step toward solution of the issue.

The auto industry was greatly dissatisfied, but MITI forced the issue in the form of "administrative guidance backed by the enforcing authority of the Export Trade Control Law."

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There was much speculation, not only from the auto industry, regarding such forceful measures by MITI and its real intent. Meanwhile, MITI persisted in its explanation of the principle of "maintaining the free trade system and evolving general economic cooperation" set forth in the "Vision of the 1980's," as well as in its realistic argument of the danger that the longer the solution is postponed, the more severe import regulations will become.

Hegemony in Trade Diplomacy

However, regardless of its validity as a policy argument, there is a strong view within MITI that strong pressure was exerted by MITI leaders, using the car issue as a lever, to "wrest the economic and trade diplomacy initiatives away from the Foreign Office."

In fact, a number of middle-level cadres in the International Trade Policy Bureau who are most closely involved with economic and trade diplomacy are saying: "We have won in the struggle with the Foreign Office. MITI will be the future center of trade diplomacy."

As a backdrop for such confidence on the part of MITI bureaucrats, there is the fact that only MITI could lead the industry on international trade issues. Concurrently, MITI's global network of overseas representatives is being completed and the ministry has also trained a large number of experienced overseas representatives.

According to figures quoted by the chief of the Secretariat, Konaga, the career employees who entered the ministry from 1968 to 1981 total 314, and 42 of them --or more than 13 percent of the total--have overseas experience (24 were assigned to embassies and legations, 1 to JETRO, 1 to an international organization and 1 was a student overseas). Moreover, as a result of the rotation system for overseas personnel, for example, all 18 careerists who joined the ministry in 1967 have overseas experience, while 17 out of 21 entrants in 1969 and 15 out of 20 entrants in 1971, or practically all careerists, have had overseas experience.

Looking at MITI as a whole (MITI Handbook of 1981), 62 were assigned to embassies and legations, 55 to JETRO offices and 31 to international organizations and industrial associations, while 26 were overseas students. In other words, a total of 174 were on overseas duty at the time of the survey. This included technicians and general category employees, and the rate of those assigned overseas was about 1.2 percent of all MITI employees, or one-tenth of the abovementioned 13 percent career officers. It indicates the degree of preferred treatment accorded careerists. It also indicates that JETRO and industrial organizations (electronic machine industry association, electric power research association, etc) are key components in the buildup of MITI's overseas network. Perhaps the "internationalization" of MITI will be realized through the effective use of these organizations.

Moreover, the cost of dispatching MITI employees overseas through JETRO and the industrial organizations is actually compensated by subsidies from the aforementioned Bicycle Promotion Institute. The institute is effectively utilized in this aspect also.

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On the basis of such achievements overseas, MITI is attempting a full-fledged involvement of international trade diplomacy. The issue of auto exports to the United States is of significance from the standpoint of MITI's future organizational strategy.

Control of Key Industries

However, it does not mean that MITI will become "trade-oriented" and give second priority to domestic industrial policy. The reason MITI has managed to consistently pursue its basic direction through concrete policies, while competing with the Foreign Ministry, Economic Planning Agency and Environmental Agency, is because it has had the authority to give administrative guidance to the industries. If it were to lose its power to administratively lead the key industries, MITI's foundation would sink rapidly.

Meanwhile, the areas of industry where MITI has been able to exercise its strongest influence has been the materials industries of steel and paper pulp. In fact, MITI OB's (old boys) have "occupied" the management field of the top five steel blast furnace companies.

Consultant Yoshihiko Inayama (1928) of Nippon Steel Corporation, consultant Kinzo Matsuo (1934; administrative vice minister) of Nippon Kokan, President Norifumi Kumaya (1940; administrative vice minister) of Sumitomo Metal Industries, Vice President Chihaya Kawade (1939; director of the Patent Agency) of Kawasaki Steel, and Vice President Komatsu of Kobe Steel are some of the MITI OB's.

However, although the steel industry ranks high among Japan's industries, one cannot ignore the fact that its relative importance has declined with the expansion of the economy as a whole.

If so, what industry with an important role in the Japanese industrial world could ex-MITI-ers take over in place of the steel industry? MITI OB's are losing their influence in such key industries as electric power and electric appliances, and may eventually become insignificant.

The buildup of a "strategic industry" for MITI as a successor to the steel industry is unmistakably the most important task in the ministry's domestic strategy. The effective way is to secure a beachhead and expand its influence. In the past, its control over the steel industry gave it a big advantage in guiding the other industries.

There are more MITI OB's hired in the oil industry than in the steel industry, with presidents of such concerns as Nippon Oil, Showa Oil, Maruzen Oil and Kyodo Oil companies. But there is little solidarity among them, which has prevented them from controlling the industry as a whole.

However, today, because of the sharp decline of the yen value caused by high U.S. interest rates, the import price of oil has risen steeply, and also because of the continuing oversupply in the domestic market, the entire industry is suffering from an operations crisis. Meanwhile, the entire MITI is moving to rescue the oil industry, but this entails a latent possibility of drastically changing the power relationship between MITI and the oil industry.

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Energy Planning Chief Hirose (previously mentioned) emphasized; "MITI's policy of building a 'Japanese major' with Kyodo Oil as its nucleus has clearly failed. Japan's oil conditions today might not require a Japanese major, but MITI is still seeking to stabilize the oil industry despite the danger of getting muddled in the process." One wonders whether the time is approaching for a reorganization of the industry under the guidance of MITI. If this is realized, the oil industry might become MITI's "strategic industry."

Is MITI an Invader?

Meanwhile, there are noteworthy aspects in MITI's posture toward the information industry, although it is different from the posture toward the oil industry.

The information industry subcommittee of the Industrial Structure Council announced in its reply (to Diet interpellations): "The impact of information on society in general has a breadth and depth equal to the Industrial Revolution. It is not an overstatement to say that the manner of the response to it will decide the positive or negative aspects of human society." Certainly, the information industry has come to occupy a strategic position vis-a-vis industries as a whole.

Moreover, Japanese technical progress in this field has been remarkable. It is linked to the further rationalization of industries and this guarantees the relatively superior position of Japan's industries internationally over a considerably lengthy period.

At present, MITI and the Telecommunications Ministry are sharply opposed over control of the use of data communications circuits. Whereas the Telecommunications Ministry wishes to retain as much of its licensing functions as possible on the basis of the present public telecommunications law, MITI is striving to win the support of the industries and to remove all controls over the use of circuits which obstruct "information-ization."

Chief Sosaburo Okamatsu (1960) of the Electronic Policy Section of the Machine Information Industry Bureau sharply criticized the Telecommunications Ministry as follows: "I believe there is a residue of the old Communications Ministry's sense in the present Telecommunications Ministry, which takes the attitude that 'we are permitting the private sector to handle this.' There is absolutely no feeling for technical development."

Meanwhile, MITI has been undertaking research and development on systems and budgets on a broad scale in order to nurture and build up the information industry. It has formed four subcommittees on key problems, visions for informationization, the data processing industry and the electronic calculating machine industry under the Industrial Structure Council's Information Industry Committee. It has gathered together scores of scholars, industrial leaders and intellectuals. But it remains to be seen whether the information industry will become MITI's "strategic industry."

On the other hand, as these examples show, whenever MITI promotes its strategy as a ministry, it almost always clashes with other central ministries. In fact,

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in addition to trade diplomacy and data communications circuitry, it often is in sharp confrontation with other ministries regarding the leisure industry (against the Transportation Ministry), the technopolis concept (against the Construction Ministry), the import of agricultural products (against the Agriculture Ministry), industrial education (against the Education Ministry) and pollution (against the Environmental Agency). One middle-level bureaucrat said: "MITI is trying to wake up the other ministries which are asleep with their narrow responsibility of granting licenses." On the other hand, the other ministries retort that "MITI is like an 'invader' who moves around without any definite plan." They view MITI with increasing suspicion.

In order to counter MITI, the other ministries have often used their "rooting sections" (for example, the Diet member group called the agriculture and forestry group) to the hilt and succeeded in retaliating, for example, on the raw silk import issue.

Actually, compared to the other ministries, MITI has few OB Diet members who can form the nucleus of its "rooting section." At one time, there were leading statesmen like former Prime Minister Nobusuke Kishi (1920; vice minister of Commerce and Industry) and former LDP Vice President Etsusaburo Shiina (1923; vice minister of Commerce and Industry), but aside from Yoshiro Hayashi (previously mentioned) at present there are only four Lower House members and one Upper House member. This is because there are few functions at MITI which are linked to vote-getting, and also because there are few political aspirants at MITI.

However, it is reported that recently the young bureaucrats with political aspirations are increasing. Since MITI itself wishes to bolster its "rooting section," those with political aspirations are given opportunities to work on temporary duty or be assigned to regional MITI offices or local communities where local elections are scheduled to be held.

Nonetheless, the thought occurs that perhaps the reason MITI has had a freer atmosphere and has been able to adopt a more flexible posture than other ministries was because there was seldom any interference by a "rooting section." One wonders if the basic posture of MITI, which has emphasized economic rationalization, might not be lost through adhesion to politics.

We have thus far observed mainly the behavior of MITI toward the other ministries, but what about the conditions within MITI itself?

Chief of the Secretariat Konaga (previously mentioned) emphasized that "MITI administration is developing every day and the young bureaucrats are collecting information either on foot or by reading documents. It is important to maintain a posture of listening and evaluating the information."

Undoubtedly, the target of MITI administration is a living existence in the form of an industry and, as we have seen, it operates with more flexibility than the other ministries and delegates authority earlier to its young bureaucrats. The reason for its comparatively free atmosphere, similar to the general trading companies with their decentralization of authority in management, is because of the similarity in organizational operations.

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Although the delegation of authority to the substructure is a plus from the standpoint of mobility, it is conversely a shortcoming in that it results in a disunity of the organization as a whole. While this may occur in any type of organization, MITI is said to actively pursue a management policy of picking out such contradictions within its structure and sublatting them.

From the standpoint of form, MITI seeks unity within its organization through a three-stage schedule of weekly meetings: the minister's staff meeting (attended by the minister, bureau chiefs and above, three secretariat section chiefs and related section chiefs), the secretariat liaison meeting (attended by the minister's staff except the minister himself) and the general affairs section chiefs meeting (attended by the general affairs section chiefs of the various bureaus). In addition, the related bureau chiefs meeting and related general affairs section chiefs meeting are held as necessary. The method is generally similar to that of other ministries and central agencies.

However, MITI has a unique committee called the Statutes Inspection Commission. Its members include "the top councilors of the various bureaus" (assistant chiefs of the general affairs sections in the various bureaus) and a plural number of councilors of the minister's secretariat, and it meets regularly on a twice weekly basis. At present, its key members consist of careerists who joined the ministry in 1969.

The commission reviews important issues from the standpoint of the entire ministry, makes judgments and presents opinions. The systematic priority given to opinions of the young bureaucrats is unheard of in other ministries. Of course, not all of the opinions presented at these meetings are necessarily adopted, but the majority are. Also, MITI appears to adopt flexible methods regarding the hiring and training of careerists, which is unheard of in other ministries. In particular, a unique method of personal evaluation is applied regarding training of personnel.

Morozumi (previously mentioned) declared: "The final selection of cadres is narrowed down to officers with stability, who have been trained to negotiate and deal with the industries and politicians." Nonouchi (also previously mentioned) states more bluntly that the individual's "reputation" throughout the ministry is decisive.

Desired Changes in Personnel Policy

There is an increasing trend within MITI to evaluate the activist type of bureaucrat more highly than the idealist. In the past, three traits--innovative ideas, implementation and persuasion--were emphasized, but more recently "implementation" has become the focal point of evaluation.

However, there is an unwritten rule that the appointment of an individual in a given post cannot exceed 3 years. This is based on the principle of cultivating talent with broad vision gained through a variety of experiences, but in reality it is an opportunist means used to evade the criticism of "adhesion to industry."

Sahashi (previously mentioned) described this personnel policy as follows: "If MITI is said to be sinking because of its relationship with industry, it is

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probably due to its personnel system of reassigning posts every 1 or 2 years. MITI should always place people on the front line who can easily 'sniff out' the industries."

Nonetheless, it is clear from what we have mentioned thus far in discussing MITI "personnel policy" that only career types are given attention, while the technicians and general category types are ignored from the beginning.

MITI has emphasized its organization, a flexible personnel policy and a liberal policy as its "selling points," but it actually maintains a conservative class system. It is an exceptional case, and only happens once in many years, that an employee in the general category is appointed as a section chief in the central ministry, and it is unthinkable for such an individual to be appointed as bureau chief in the central ministry, as practiced in the Finance Ministry.

Therefore, MITI is reportedly cited as an example of a low working ethic among general category employees, and talented employees who are denied advancement opportunities are said to be uncommunicative about their work and do not report details to their superiors. "This is their form of protest against the policy of permitting the 'privileged class' (meaning the careerists) to monopolize the three powers of authority pertaining to information, budgeting and personnel policy" (general category employee).

Meanwhile, the career section chief is mostly concerned with Diet policy and the preparation of data for submission to the Diet, and it is actually the general category employees who prepare the drafts on issues concerning industry. When the MITI minister replies to Diet interpellations, the draft is checked in advance by the responsible general team leader (career official), the section chief, the general affairs section of the bureau, the general affairs section chief of the secretariat, the chief of the secretariat and the minister's private secretary, in that order. There are some irresponsible employees who deliberately prepare imperfect drafts.

One general category employee stated: "The quality of careerists has declined recently. They don't see the overall situation and they don't receive technical training, for example, in the written expression of ideas. Although a draft may be imperfectly prepared, they are unable to make corrections."

It is obviously imperative that in order to eliminate such shortcomings MITI should establish a personnel system which provides incentives for the general category employees, who make up more than 80 percent of the entire ministry. Also, if technical ability is to be emphasized as a principal policy in the "Vision of the 1980's," there should be an end to the present discriminatory practice, and a new beginning should be made by treating at least the higher level of technicians on an equal basis with career officials.

Can the Desired Goal Be Met?

MITI is a government agency which regulates international industry and trade with the "national mandate" as a premise. Is MITI adequately fulfilling that mandate?

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First of all, as it was previously pointed out in the Diet, in essence, MITI "should not act against the will of industry"; of the nearly 100 price investigation officers appointed to check spiralling commodity prices after the first oil shock, there is at present only one control officer left.

This seems to indicate at least the failure of MITI to fulfill the "national mandate."

Also, one Defense Agency cadre said: "It is difficult to work with MITI people, because we immediately face criticism of 'adhesion' to the major enterprises." This is merely one example of the common image of MITI among the people as a "friend of the major enterprises."

Of course, I don't mean to imply that "major enterprises are evil," but in reality there is a frequent confrontation between the consumer and the major enterprise or medium and small enterprises. In this case, it is the responsibility of the government agency to arbitrate fairly between the interests of opposing parties, but when MITI is seen, as in the past, as leaning toward the major enterprise, such arbitration becomes difficult.

Several young bureaucrats have said: "Future MITI administration must give broad consideration to the state and the nation, within the framework of a relationship of tension with the major enterprise." Meanwhile, there is the dilemma that if it loses the trust of the industries, MITI's foundation itself will become "unstable."

In fact, future MITI administration will probably broaden the area of contact with the people. Moreover, if it is not the exercise of power but "arbitration based on a consensus" which is demanded of MITI administration, MITI should act to win the trust of the people while accomplishing one concrete achievement at a time.

How can the deep-rooted concept that "the economy equals industry, and the industry equals the business enterprise," which has characterized MITI in the past, be changed? This is an era in which the true worth of MITI, which prides itself on its visions and ideas, will be questioned.

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'MAINICHI': RELEASE CONTENTS OF JAPAN-U.S. ARMS MEMORANDUM

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[Editorial: "Arms Development Memo"]

[Text] We have learned that the Japanese Defense Agency and the U.S. Defense Department exchanged a memorandum on the joint research and development of weapons in June 1966. The existence of the memorandum was disclosed in a defense magazine article in October 1980 by a professor of the Defense Academy and was recently confirmed by the Defense Agency.

- In regard to the content of the memorandum, Defense Agency officials said that it was nothing but a memorandum recording the exchange of views among experts and added that they were studying the possibility of publicly disclosing it. We strongly hope that the content will be disclosed.

We demand the disclosure because we believe that the contents seem to be closely related with the military technology exchange program between Japan and the United States, which is being discussed among the officials concerned, and also the three principles on the ban of Japanese arms exports. We have heard that the Defense Agency and the foreign ministry want to promote arms technology exports to the United States but the ministry of international trade and industry is reluctant to do so.

- If such an agreement exists, we can surmise that the United States and Japan earlier paved the way for the bilateral exchange of military technology. Japanese and American officials reach an agreement in December last year for their joint efforts to conduct research and development. What are the relations between the said agreement and the latest agreement?

According to the article, the memorandum said: 1) Weapons to be developed would be limited to those which are required by the U.S. Army, Navy and Air Force; 2) The two countries would equally share the development expenses; and 3) Patent rights and rights to possess know-how resulting from research and development would in principle belong to the United States. If this is true, the memorandum one-sidedly favors the United States.

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The three principles banning arms exports were established in February 1967 by Prime Minister Eisaku Sato who pledged in his diet statement that Japan would not export weapons to the communist bloc and countries engaged in military conflicts. In February 1976, Prime Minister Takeo Miki expanded the sphere of the principles when he said that Japan would refrain from exporting arms to areas hitherto not covered by the principles.

The memorandum was exchanged between Japanese and U.S. officials well before the coming into force of the three principles. Does the memorandum have binding power from the viewpoint of diplomatic interest and obligation? What is the relation between article 1 of the U.S.-Japan mutual defense treaty, which is believed to be the base enabling the exchange of governmental military material and information, and this memorandum? Many points remain obscure.

Moreover, we are strongly impressed by the Defense Agency's apparant determination to go it alone in disregard of the various disputes in Japan since the United States sought Japan's offer of military technology in June last year.

Needless to say, Japan's national policy is to follow the path of a peace-loving nation and the three principles banning arms exports, together with the three nonnuclear principles, are the basic policy to clearly show Japan's determination to the world. The United States may make strong requests on this specific issue but it is the Japanese people who must decide Japan's own policy and the Defense Agency must have talks with U.S. officials within the limit of the Japanese policy.

In particular, defense problems will become important disputes between the government party and opposition parties in the current diet session. Accordingly, the government must be prudent in having talks with the United States.

Everybody will agree that, in an open society, disputes on national defense must be conducted in a fair manner. This is a salutary way in democracy. Problems related with the removal of the arms exports ban to the United States have attracted attention not only from politicians but also from the general public. We renew our request for the Defense Agency to publicly disclose the memorandum.

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MILITARY

SDF MAPS OUT NEW 5-YEAR DEFENSE PROGRAM

OW071403 Tokyo JIJI in English 1337 GMT 7 Jan 82

[Text] Tokyo, 7 Jan (JIJI PRESS)--The tri-service self-defense forces (SDF) have mapped out a draft fiscal 1983-87 defense program estimate, envisaging organizing two new mechanized divisions in Hokkaido, northernmost Japan, arming all the 32 escort flotilla destroyers with missiles and purchasing 95 F-15 fighters and 65 P-3C antisubmarine patrol aircraft. The estimate, designed to achieve a defense capability target provided in the 1976 defense program outline, calls for a total cost of nine trillion yen (about \$40.9 billion), of which funds for procurement of front-line equipment account for 4.5 trillion yen (about \$20.5 billion).

As a result, the five-year overall defense spending, including personnel and other expenses, is expected to reach 15 trillion yen (about \$68.2 billion), indicating annual spending could exceed one percent of Japan's gross national product (GNP), the current government-fixed ceiling on defense expenditures, in fiscal 1985.

The draft estimate worked out by uniformed officers of the SDF is to serve as the basis for the Defense Agency's full-scale work on the new five-year program estimate. The agency will prepare its final program estimate by April for authorization by the National Defense Council in July or August.

According to the draft program estimate, the ground self-defense force (GSDF) plans to reorganize the second division in Asahikawa and the 11th division in Sapporo, both Hokkaido, into mechanized divisions with strength increased from 9,000 men to 10,500 men each.

The number of tanks for each division would double to 125 units. Each division would also have 70 self-propelled guns for an artillery regiment and 270 armored personnel carriers to accommodate all infantrymen.

GSDF expects the two mechanized divisions, together with the only armored division with 230 tanks in Chitose, would be able to cope with a limited, small-scale aggression on Hokkaido, which the service sees as the most probable region to be invaded first in case of war.

But Defense Agency sources said the agency's civilians are cautious of adopting the GSDF plan.

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The maritime self-defense force (MSDF) plans to build 45 ships totaling about 80,000 tons under the 5-year program estimate.

They include 19 destroyers which will increase the service's such vessels to 64 as provided in the defense program outline.

MSDF intends to equip all the new destroyers with surface-to-surface or antiaircraft missiles, while also mounting such missiles on four existing destroyers under a fleet rehabilitation and modernization program. As a result, all the 32 destroyers forming four eight-ship escort flotillas for sea lane defense would be armed with missiles.

Submarines for building under the estimate total seven to achieve a target of 16. Other ships include five auxiliary ships and as many new-model missile patrol boats.

As to aircraft, MSDF plans to procure 65 P-3C antisubmarine patrol planes under the estimate in addition to 25 planes for which funds have already been earmarked. Thus the P-3C fleet would comprise 90 planes for nine air antisubmarine squadrons.

The service also intends to purchase about 60 HSS-2B antisubmarine helicopters and 15 CH-53 minesweeping helicopters. As a result, MSDF's operational aircraft would reach about 220 as envisaged in the program outline.

The air self-defense force (ASDF) in the estimate gives top priority to achieving the outline's operational aircraft inventory target of about 430--250 fighter-interceptors, 100 support fighters, 40 transports, 30 reconnaissance planes and 10 airborne early warning aircraft.

It plans to purchase 95 F-15s besides 80 planes budgeted so far so that F-15s would account for 175 of the 250 fighter-interceptors. The remainder would be F-4EJ's purchased already.

The 40-transport fleet is planned to consist of 16 new C-130H's and 24 existing C-1s. ASDF intends to procure 12 C-130H's under the estimate because four have already been budgeted. In addition, three C-130H's would be introduced to serve as EC-130 electronic reconnaissance planes.

For ASDF, the program estimate also envisages completion of a new badge (base air-defense ground environment) system, development of the MTX new intermediate trainer and selection of a replacement for the Nike surface-to-air missile system.

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MILITARY

BRIEFS

VIEW OF JAPAN'S DEFENSE MINISTER--Tokyo, 18 Jan KYODO--Vice Defense Minister Toru Hara said Monday Asian countries understood Japan's defense efforts but they differed in nuance on the perceived Soviet threat. Hara made the statement to reporters on the basis of discussions at a meeting of Japanese military attaches stationed in nine Asian countries which he attended in Bangkok last Thursday. The officers are stationed in South Korea, China, the Philippines, Thailand, Malaysia, Indonesia, Burma, India and Pakistan. Hara said Asian nations believed Japan's defense buildup would not pose a threat unless it overstepped the framework of the postwar "peace" constitution. The Defense Agency vice minister said he was told the Philippines did not want Japan to sacrifice defense spending. He also said there was considerable difference in nuance in views among the Asian countries about Soviet threat. Indonesia, among others, believed China could pose a threat if it became a great power as a result of its current economic modernization drive. [Text] [OW181041 Tokyo KYODO in English 0900 GMT 18 Jan 82]

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SCIENCE AND TECHNOLOGY

REPROCESSED PLUTONIUM FOR LIGHT WATER REACTOR POWER GENERATION

Tokyo MAINICHI SHIMBUN in Japanese 31 Dec 81 p 1

[Article: "Plutonium Extracted Through Re-Processing To Be Used for Light-Water-Reactor-Type Nuclear Power Generation; As Early as First Half of Next Year; Will Seek US Consent on Occasion of Negotiations in March"]

[Text]

According to what was clarified by a nuclear energy policy official on the 30th, Japan has decided to use the plutonium which is extracted through the re-processing of spent nuclear fuel at nuclear power plants, as fuel for light-water-reactor-type nuclear power generation now in operation, as early as the first half of 1982, ahead of the rest of the world. For this purpose, it will resume Japan-US nuclear energy negotiations as early as March and obtain US agreement to use plutonium. On the other hand, it will obtain final confirmation on such problems as the construction of a second re-processing plant in Japan. As a result, commercialization of the Japanese nuclear energy industry will begin to move on a full scale toward completion of the nuclear fuel cycle.

Two Committees for Commercialization: MITI's Policy

The fear is strong that use of plutonium as a fuel (pluthermal) in light-water reactors, which account for nearly 80 percent of the reactors at the nuclear power plants in the world at present, will make the manufacture of plutonium atomic bombs easy. Therefore, it has been strictly restricted, from the standpoint of preventing nuclear proliferation. However, plutonium is accumulated every day in nearly 270 reactors in the world, which are already in operation. Even in the light of the economic feasibility inherent to nuclear energy, to the effect that fuel once spent can be used again, the necessity for pluthermal has been pointed out.

In Japan, too, plutonium as a fuel for light-water reactors is in a state where it can be used at two nuclear power plants -- the Mihama Nuclear Power Plant of Kansai Electric Power and the Tsuruga Nuclear Power Plant of the Japan Atomic Power Company -- and a go sign for imports from the US is being awaited. It is said that an international political decision and timing as to social environment are the only remaining problems.

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In this situation, Japan has a bitter history of being the only A-bomb victim country, and therefore, both its control and surveillance structures are relatively complete in the world, as to nuclear non-proliferation. It has accumulated actual records as generally the only advanced nation as to nuclear energy, which has never been suspected of nuclear proliferation to the Middle East and South America. On such occasions as the INFCE (International Nuclear Fuel Cycle Evaluation) Conference, which was held under the CARTER Administration, Japan opposed the plan of the US, Britain and France for international monopoly of nuclear energy in the commercial field. Therefore, Japan has received the international evaluation that at present, there is no other country except Japan that can start using plutonium-use light-water reactors, with importance attached to economic feasibility.

Especially, Japan depends upon foreign countries for uranium resources, too, and when plutonium created through re-processing of spent uranium fuel is used again as a fuel for reactors, it can be regarded as a semi-home-produced fuel. Its meaning of security in the fields of economic feasibility and energy is very big. Therefore, the Science and Technology Agency, MITI, and electric power industry circles have been aiming at using plutonium as a nuclear fuel for nuclear power generation, from early on. In the case of "Fugen" (output: 165,000 KW), a prototype reactor for the new-type converter reactor (ATR -- advanced thermal reactor), the first power generation with the plutonium-uranium mixed fuel entered a demonstration stage this fall, and it is being tentatively operated at present. As to "Joyo" (not used for power generation), an experimental reactor for the fast breeder reactor (FBR), too, experiments will be started within 1992 to increase the output from the 75,000 KW at present to 100,000 KW. Thus, preparations for that purpose are being completed steadily.

Taking such actual records into account, nuclear energy policy officials are asserting that nuclear proliferation can be fully prevented, by attaching the condition that "Only the countries having high-level technology on the ATR, FBR, etc., can use plutonium as a fuel in limited, specific light-water reactors." They are scheduled to obtain the final agreement of the REAGAN Administration, which has already made a nearly 180-degree policy change from the prohibition measures under the CARTER Administration to easing measures.

In pushing commercialization, on the other hand, MITI will inaugurate, early in January, two committees as advisory organs for the ITI Minister -- a "Plutonium Re-Cycle Committee" (Chairman: Japan Atomic Energy Research Institute Adviser Hiroshi MURATA) and a "Fast Breeder Reactor Practical Use Committee" (Chairman: Tokyo University Professor Yoshitsugu MISHIMA). Its policy is to establish strategy for development and commercialization up till the year 2000, at these Committees.

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These Committees will give long-term prospects for huge amounts of investments and a plan for constructing nuclear energy-connected facilities, which will require a period of more than 10 years each. The Ministry intends to urge private capital to participate in a positive way in the nuclear energy industry, which has already become a market amounting to ¥2 trillion annually.

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SCIENCE AND TECHNOLOGY

STRENGTHENED NUCLEAR FUEL CYCLE, BUDGET EXAMINED

Tokyo DENKI SHUNBUN in Japanese 9 Jan 82 p 1

[Article: 'Momentum To Be Given to Strengthening of Nuclear Fuel Cycle; Construction of 'Solidification Pilot Plant' Takes One Step Forward; Science and Technology Agency's Nuclear Energy Budget; Location Measures Office Also To Be Established"]

[Text]

The Science and Technology Agency on the 8th clarified the details of its nuclear energy budget for fiscal 1982. According to this, the characteristic feature of the budget is that emphasis was given to the improvement and strengthening of the nuclear fuel cycle which is reaching the stage of demonstration, as well as to the continuation of large-scale projects for nuclear fusion, multi-purpose high-temperature gas furnaces, etc. As to downstream, in particular, detailed designing of a high-level waste liquid solidification pilot plant was approved, and one step forward has been taken as to the start of construction. In regard to low-level waste liquid, too, new measures are to be developed. As to upstream, adjusted designing of a uranium enrichment prototype plant and other matters were approved by the Finance Ministry, and the start of construction is to be awaited. Also, establishment of a Nuclear Energy Location Regional Measures Office in the Agency was approved. This is designed for comprehensive promotion of location as to nuclear energy facilities from the standpoint of the State. It will check into PA (public acceptance) as to location at the first stage and what regional promotion should be, and put it into practice.

Efforts to Be Made for PA at First Stage and Regional Promotion, Too

The said Agency's nuclear energy appropriations amount to ¥176,200 million (up 0.7 percent over fiscal 1981) in the general account, and to ¥66,300 million (up 12.2 percent over fiscal 1981) in the electric power special account, totaling ¥243 billion (up 3.6 percent). The appropriations in the general account exceeded the demanded amount by ¥1,100 million. This means a slight increase in the amount of cash, because the limited amount of liabilities on the Treasury was curtailed on a wide scale. The increase rate of the demanded amount, including that in the electric power special account, is 3.8 percent, and the amount of appropriations is somewhat smaller than that.

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The characteristic feature of the contents of the nuclear energy budget is that new measures were worked out in the field of the nuclear fuel cycle, which is reaching the stage of demonstration, in addition to the continuation of medium- and long-range, large-scale projects for nuclear fusion, multi-purpose high-temperature gas furnaces, FBR's (fast breeder reactors), etc., as before.

In regard to downstream, detailed designing (¥1,500 million) of the high-level waste liquid solidification pilot plant by the Power Reactor and Nuclear Fuel Development Corporation was approved, following the basic designing. The policy of the Power Reactor and Nuclear Fuel Development Corporation is to push detailed designing in fiscal 1982 and 1983, start the construction of the plant in fiscal 1984, and start the operation thereof in fiscal 1987.

The demonstration of glass solidification techniques will be carried out, following the start of the operation of high-level radioactive materials research facilities (CPF) in the spring of this year. Development of techniques on the disposal of radioactive waste (¥200 million) and research on the standards for the disposal of radioactive waste (¥70 million) are also new measures. In the case of the former, development of new techniques for the decrease of low-level waste, elimination of contamination, solidification, etc., will be publicly invited from private circles, and subsidies will be granted. In the case of the latter, research on standards will be carried out so that performance and so forth can be checked, in preparation for the practical use of new solidified plastics, as well as research on the so-called "bottom cuts" of low-level waste.

In the field of upstream, the uranium enrichment prototype plant is a star item. An appropriation of ¥960 million, including an adjustment expense (¥500 million) to prepare for the construction, has been earmarked, the sharing of funds between the Government and private circles has been decided, and the early start of the construction will be awaited. Also, an expense (¥100 million) for publicity measures concerning the nuclear fuel cycle to promote location as to the nuclear fuel cycle, including the second re-processing plant for private circles, uranium enrichment, and the "Monju" FBR, has been newly budgeted, and PR activities will be embarked upon from the standpoint of the State.

In the field of organization, on the other hand, it has been decided that a Nuclear Energy Location Regional Measures Office will be established. This Office will check cross-sectionally and comprehensively, from the standpoint of the State, into the nuclear fuel cycle, PA as to first-stage location of nuclear energy facilities including new-type reactors, regional promotion, etc., and put them into practice. Nuclear energy liaison co-ordinators (numbering 8) under the Office Chief will also be assigned to this Office, and co-operation with local self-governing bodies also will be made close.

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SCIENCE AND TECHNOLOGY

ULTRA HIGH PERFORMANCE INERTIAL GUIDANCE SYSTEM FOR H-1 ROCKET BEING DEVELOPED

Tokyo COMPUTER DIGEST in Japanese Jan 82, p 73

/Article: "Ultra High Performance Inertial Guidance System Being Developed in Japan; A Rocket Has 60 Percent Probability of Hitting a Circle 1.5 km in Diameter 9,000 km Away"/

/Text/ Ultra high performance inertial guidance system is being developed in Japan. With this guidance system, a rocket launched from Tokyo toward Los Angeles has a 60 percent probability of hitting a circle 1.5 km in diameter. This guidance system is to be carried on board Japan's first liquid hydrogen propelled H-1 rocket which is scheduled to be launched in 1986 by the National Space Development Agency (NASDA). An outline of this project was revealed at the 6th Symposium of Space Development Industry held on 29th at the Federation of Economic Organization Hall in Tokyo. Although the accuracy of the system is difficult to compare internationally, the accuracy of its sensor which detects, among other things, the acceleration is said to be No 1 in the world, according to its manufacturer.

The guidance system which guides artificial satellite into its orbit consists of two basic formats; radio guidance format and inertial guidance format. Radio guidance format consists of a ground radar which keeps track of the rocket, a ground computer which processes the data, and a radio transmitter which transmits radio command to the rocket. This type of guidance system was used in the N-1 rocket which launched Japan's artificial satellites "Ume," an ionosphere observation satellite and "Ayame," an experimental stationary communications satellite. However, this guidance format becomes ineffective when the rocket disappears beyond the horizon.

In contrast, the inertial guidance format is independent of the ground. An electronic computer carried on board the rocket calculates the deviation in its position from the predetermined orbit and makes corrections. This guidance system consists of a sensor assembly comprising of three units each of gyros for the detection of the flight angles and accelerometers for the detection of acceleration, a computer for processing the data, and an electronic control device which controls combustion and nozzle angle of the rocket engine.

Entrusted by NASDA, Nippon Avionics is in charge of the development of the sensor assembly; Nippon Electric Company, the electronic control device; and Mitsubishi Space Software, the program.

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The key to an improvement of guidance accuracy lies in the sensor assembly. The accuracy of gyros is the most important example. Gyros are tops spinning at the rate of 24,600 rpm. Changes in the flight angles can be detected from an application of one of the properties of a top spinning at very high speed; e.g., it maintains a fixed direction in space. The accuracy of gyro performance depends on how well the heat generated in gyro is dissipated symmetrically left and right by the thermal design, how well the friction effect is minimized by a precision machining of the gyro bearings, and how accurately the parts are assembled.

According to the director of planning department, Kikuo Himeshima, of Nippon Avionics, the ballbearings used on the gyros were chosen from among the top grade domestic products, and the balls, 1.5 mm in diameter, were reground to an accuracy of within one-millionth of one millimeter.

"Only one out of two units assembled by the most skilled technician passes the rigid accuracy test. Nevertheless, its accuracy is approximately two orders of magnitude higher than that of similar gyros used on the American missiles," said Himeshima. The accuracy of an experimental model of the guidance system completed so far is said to have a 57.6 percent probability of hitting a circle one nautical mile in diameter after 1 hour's flight. This accuracy is equivalent to a 60 percent probability that a rocket launched from Tokyo will hit a circle 1.5 km in diameter at Los Angeles after flying over a distance of approximately 9,000 km.

The hitting accuracy of the military missiles is much higher, because the missiles are not only guided by the inertial guidance system, the errors of the inertial guidance system are also continuously being corrected by such means as loran navigation or reference to a digitized terrain map carried on board.

Himeshima regrets that "this technology cannot be exported as of now, because of various restrictions placed on it, on account of the fact it is applicable to the intercontinental ballistic missile in addition to the aircrafts and ships."

(Asahi Shimbun 30 Oct)

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